

City of Kerrville

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FOR IMMEDIATE RELEASE

DISTRICT COURT RULING

Kerrville- Yesterday in Austin, representatives from the City of Kerrville, along with Kerr County and KPUB, participated in a hearing before Travis County District Court Judge Lora Livingston. The hearing was the result of the Kerrville parties appealing the Public Utility Commission's order, which routed the LCRA TSC's CREZ 345 kilovolt electric transmission line along IH-10 through Kerrville. This transmission line will transport electricity from LCRA TSC's McKamey D substation, located in Schleicher County, north of El Dorado, to LCRA's TSC Kendall substation, located in Comfort. The PUC's order rejected an opinion issued by Administrative Law Judges and against the testimony and evidence submitted by the Kerrville parties and revised the route to utilize the IH-10 corridor through Kerrville. Kerrville believed that the PUC's order contained numerous legal and procedural errors, which resulted in a "results driven" approach. The City of Kerrville was particularly concerned with the impact that the CREZ line would have on both homes and other habitable structures within the City and the damage that the line would inflict on the City's gateway areas, more specifically, the intersections of IH-10 and Highway 16 (Sidney Baker) and IH-10 and FM 783 (Harper Road) and those properties poised for development. In addition, the PUC's order chose the longest, most expensive route that negatively impacted the greatest number of people of all the routes originally submitted by the LCRA TSC.

At the conclusion of oral arguments by the attorneys representing both the Kerrville parties as plaintiffs and the PUC, as the defendant, Judge Livingston issued a ruling from the bench. In essence, the judge found against the Kerrville parties and

upheld the PUC's order. The judge made comments about the balancing of competing interests, the lack of specificity in the law as to the weight each of these interests should be given, and the limitation that her judgment may not substitute for that of the PUC.

While not a complete surprise to the City because of the high burden needed to overturn the PUC's order, the City was nonetheless disappointed in the outcome. "We are disappointed in the Judge's ruling. The City Council has worked aggressively to protect our community and we remain convinced that the placement of the lines through the IH-10 corridor is the least appropriate location for the lines," said Mayor David Wampler. As to whether the City will appeal the judge's ruling, the Mayor said "The decision to allow these lines ratifies the outcome of a state process that is significantly flawed and the City Council will consider what other options we have. At next week's Council meeting, the attorneys will advise us of our appeal rights, possible outcomes, and the likelihood of success."

For additional information concerning the <u>District Court Ruling</u>, please contact Mindy Wendele, Director of Business Programs at 830.792.8343.